

STATE FIRE AND TORNADO FUND
INVESTMENT PERFORMANCE REPORT AS OF SEPTEMBER 30, 2006

	September-06					August-06				July-06				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation	Policy	Quarter	Month	Market Value	Allocation	Policy	Month	Market Value	Allocation	Policy	Month	FYTD	FY06	Ended	Ended
				Net ROR	Net ROR									Net	Net	6/30/2006	6/30/2006
LARGE CAP DOMESTIC EQUITY																	
<i>Structured Growth</i>																	
Los Angeles Capital	758,542	2.7%	2.8%	1.60%	3.26%	716,571	2.6%	2.8%	2.18%	634,238	2.6%	2.8%	-3.70%	1.60%	11.12%	N/A	N/A
Total Structured Growth	758,542	2.7%	2.8%	1.60%	3.26%	716,571	2.6%	2.8%	2.18%	634,238	2.6%	2.8%	-3.70%	1.60%	11.12%	12.01%	-0.32%
<i>Russell 1000 Growth</i>				3.94%	2.75%				3.12%				-1.90%	3.94%	6.12%	8.35%	-0.76%
<i>Structured Value</i>																	
LSV	835,805	3.0%	2.8%	4.90%	1.86%	800,236	2.9%	2.8%	0.96%	717,027	2.9%	2.8%	2.02%	4.90%	15.05%	21.14%	12.22%
<i>Russell 1000 Value</i>				6.22%	1.99%				1.67%				2.43%	6.22%	12.10%	15.70%	6.89%
<i>Russell 1000 Enhanced Index</i>																	
LA Capital	1,513,034	5.4%	5.6%	3.71%	2.73%	1,436,652	5.3%	5.6%	2.09%	1,272,863	5.1%	5.6%	-1.11%	3.71%	11.58%	N/A	N/A
<i>Russell 1000</i>				5.06%	2.37%				2.40%				0.22%	5.06%	9.08%	N/A	N/A
<i>S&P 500 Enhanced Index</i>																	
Westridge	1,615,637	5.8%	5.6%	5.75%	2.60%	1,725,119	6.3%	5.6%	2.41%	1,523,503	6.2%	5.6%	0.65%	5.75%	8.77%	N/A	N/A
<i>S&P 500</i>				5.67%	2.58%				2.38%				0.62%	5.67%	8.63%	N/A	N/A
<i>Index</i>																	
State Street	561,249			5.78%	2.76%	532,899			2.06%	472,072			0.85%	5.78%	9.51%	11.47%	2.62%
Total Index	561,249	2.0%	1.9%	5.78%	2.76%	532,899	2.0%	1.9%	2.06%	472,072	1.9%	1.9%	0.85%	5.78%	9.51%	11.47%	2.62%
<i>S&P 500</i>				5.67%	2.58%				2.38%				0.62%	5.67%	8.63%	11.22%	2.49%
TOTAL LARGE CAP DOMESTIC EQUITY	5,284,266	19.0%	18.8%	4.49%	2.66%	5,211,477	19.2%	18.8%	2.02%	4,619,703	18.7%	18.8%	-0.24%	4.49%	10.95%	13.63%	3.95%
<i>S&P 500</i>				5.67%	2.58%				2.38%				0.62%	5.67%	8.63%	11.22%	2.49%
SMALL CAP DOMESTIC EQUITY																	
<i>Manager-of-Managers</i>																	
SEI	1,740,472	6.3%	6.3%	-0.01%	1.39%	1,744,212	6.4%	6.3%	2.29%	1,475,526	6.0%	6.3%	-3.59%	-0.01%	13.58%	18.20%	7.84%
<i>Russell 2000 + 200bp</i>				0.94%	1.00%				3.13%				-3.09%	0.94%	16.86%	21.06%	10.38%
TOTAL SMALL CAP DOMESTIC EQUITY	1,740,472	6.3%	6.3%	-0.01%	1.39%	1,744,212	6.4%	6.3%	2.29%	1,475,526	6.0%	6.3%	-3.59%	-0.01%	13.58%	18.20%	7.86%
<i>Russell 2000</i>				0.44%	0.83%				2.96%				-3.25%	0.44%	14.58%	18.70%	8.50%
INTERNATIONAL EQUITY																	
<i>Large Cap - Active</i>																	
Capital Guardian	1,135,834	4.1%	4.0%	5.02%	0.67%	1,151,756	4.2%	4.0%	3.59%	993,850	4.0%	4.0%	0.71%	5.02%	28.07%	20.99%	6.90%
LSV	1,108,463	4.0%	4.0%	6.24%	1.91%	1,110,414	4.1%	4.0%	3.01%	963,368	3.9%	4.0%	1.21%	6.24%	27.09%	N/A	N/A
Total Large Cap - Active	2,244,298	8.1%	8.0%	5.62%	1.28%	2,262,170	8.3%	8.0%	3.30%	1,957,218	7.9%	8.0%	0.95%	5.62%	27.66%	21.92%	12.63%
<i>MSCI EAFE - 50% Hedged</i>				4.87%	0.90%				2.93%				0.98%	4.87%	26.72%	22.56%	6.89%
<i>Small Cap - Value</i>																	
Lazard	263,677	0.9%	1.0%	0.72%	0.34%	268,391	1.0%	1.0%	2.84%	233,055	0.9%	1.0%	-2.39%	0.72%	23.65%	28.06%	N/A
<i>Citigroup Broad Market Index < \$2BN</i>				1.53%	0.70%				2.90%				-2.02%	1.53%	29.28%	32.40%	N/A
<i>Small Cap - Growth</i>																	
Vanguard	272,233	1.0%	1.0%	3.73%	1.91%	273,055	1.0%	1.0%	2.33%	238,183	1.0%	1.0%	-0.53%	3.73%	29.24%	32.39%	N/A
<i>Citigroup Broad Market Index < \$2BN</i>				1.53%	0.70%				2.90%				-2.02%	1.53%	29.28%	32.40%	N/A
TOTAL INTERNATIONAL EQUITY	2,780,207	10.0%	10.0%	4.93%	1.24%	2,803,616	10.3%	10.0%	3.16%	2,428,455	9.8%	10.0%	0.47%	4.93%	27.35%	23.83%	8.67%
<i>MSCI EAFE - 50% Hedged</i>				4.87%	0.90%				2.93%				0.98%	4.87%	26.72%	22.56%	6.89%
DOMESTIC FIXED INCOME																	
<i>Core Bond</i>																	
Western Asset	5,260,843	18.9%	19.0%	4.45%	0.90%	5,289,323	19.4%	19.0%	1.81%	4,757,059	19.2%	19.0%	1.67%	4.45%	-0.90%	7.36%	8.59%
<i>Lehman Aggregate</i>				3.81%	0.88%				1.53%				1.35%	3.81%	-0.81%	2.05%	4.97%
<i>Core Plus/Enhanced</i>																	
Clifton Group	1,213,471	4.4%	4.4%	N/A	1.09%	1,204,660	4.4%	4.4%	1.49%	1,086,538	4.4%	4.4%	N/A	N/A	N/A	N/A	N/A
Prudential	1,199,925	4.3%	4.4%	N/A	1.42%	1,192,319	4.4%	4.4%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
Total Core Plus/Enhanced	2,413,396	8.7%	8.8%	N/A	1.25%	2,396,980	8.8%	8.8%	1.49%	1,086,538	4.4%	4.4%	N/A	N/A	N/A	N/A	N/A
<i>Lehman Aggregate</i>				3.81%	0.88%				1.53%				1.35%				
<i>Index</i>																	
Bank of ND	2,313,876	8.3%	8.3%	3.10%	0.92%	2,300,723	8.5%	8.3%	1.05%	3,152,586	12.7%	12.7%	1.09%	3.10%	-1.14%	1.14%	4.90%
<i>Lehman Gov/Credit (1)</i>				3.91%	0.98%				1.58%				1.30%	3.91%	-1.52%	1.04%	4.78%
<i>BBB Average Quality</i>																	
Wells Capital (formerly Strong)	5,259,422	18.9%	19.0%	4.60%	1.06%	5,279,776	19.4%	19.0%	1.97%	4,741,387	19.2%	19.0%	1.50%	4.60%	-2.11%	2.63%	N/A
<i>Lehman US Credit BAA</i>				4.80%	1.13%				2.02%				1.58%	4.80%	-2.37%	2.63%	N/A
TOTAL DOMESTIC FIXED INCOME	15,247,538	54.8%	55.0%	4.28%	1.01%	15,266,801	56.1%	55.0%	1.76%	13,737,571	55.5%	55.0%	1.45%	4.28%	-1.39%	6.59%	7.79%
<i>Lehman Aggregate (2)</i>				3.81%	0.88%				1.53%				1.35%	3.81%	-0.81%	1.84%	5.28%
CASH EQUIVALENTS																	
Bank of ND	2,753,853	9.9%	10.0%	1.35%	0.42%	2,170,683	8.0%	10.0%	0.47%	2,479,200	10.0%	10.0%	0.45%	1.35%	4.50%	2.71%	2.42%
<i>90 Day T-Bill</i>				1.33%	0.46%				0.44%				0.42%	1.33%	4.00%	2.37%	2.25%
TOTAL FIRE & TORNADO FUND	27,806,336	100.0%	100.0%	3.84%	1.32%	27,196,789	100.0%	100.0%	1.85%	24,740,455	100.0%	100.0%	0.63%	3.84%	5.27%	7.29%	5.27%
POLICY TARGET BENCHMARK				3.81%	1.15%				1.81%				0.80%	3.81%	4.99%	6.57%	5.05%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) From April 1, 2004, through June 30, 2005, the benchmark was the LB Intermediate Govt/Credit index.

(2) Prior to July 1, 2005, the benchmark was LB Govt/Credit Index.